

EUROPEAN COMMISSION

> Brussels, 1.7.2024 COM(2024) 254 final

# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

The *ex post* evaluation of the European Union Programme for Employment and Social Innovation (EaSI) including the final evaluation of the European Progress Microfinance Facility (EPMF)

{SEC(2024) 184 final} - {SWD(2024) 146 final}

# **Table of Contents**

1.	Intr	oduction	2
2.	Key	evaluation findings	3
	2.1	Effectiveness	3
	2.2	Efficiency	5
	2.3	EU added value	5
	2.4	Coherence and complementarity	6
	2.5	Relevance	6
3.	Con	clusions	7
	3.1	Lessons already capitalised	7
	3.2	Lessons to inform future policy	9

#### 1. Introduction

This report summarises the main findings and lessons learnt of the Staff Working Document (SWD) presenting the results of the Commission's *ex post* evaluation of the *Employment and Social Innovation Programme 2014-2020 (EaSI)* including the final evaluation of the *European Progress Microfinance Facility 2010-2016 (EPMF)*. The Commission launched the evaluation of the two programmes<sup>1</sup> in 2021. In line with the Better Regulation Guidelines, the evaluation looked at their effectiveness, efficiency, relevance, coherence/complementarity and EU added value.

The *Employment and Social Innovation Programme* 2014 - 2020 (EaSI)<sup>2</sup> was designed to contribute to the modernisation of employment and social policies (PROGRESS axis); to facilitate access to labour markets and job mobility (EURES axis); and to increase access to microfinance and social entrepreneurship (Microfinance/Social Entrepreneurship axis). EaSI was implemented by the Commission in the Member States and other participating countries (EFTA/EEA, EU candidate countries and potential candidates).

The *European Progress Microfinance Facility* 2010 - 2016 (EPMF)<sup>3</sup> was initiated by the Commission with the aim of extending the outreach of microfinance to particular groups atrisk and to micro-enterprises. The EPMF, implemented by the European Investment Fund (EIF) in the EU Member States, was followed up by a new generation of financial instruments under the Microfinance/Social Entrepreneurship axis of the EaSI programme.

The Staff Working Document (SWD) is based on data collected through an external supporting study and an evaluation carried out by the European Economic and Social Committee (EESC). European Investment Fund (EIF) representatives were actively involved in the evaluation, providing data, information and expertise<sup>4</sup>. It also takes stock of the preceding *ex ante* and *ex post* EaSI evaluations while acknowledging the respective EaSI midterm (2017)/EPMF interim (2014) evaluations. Due account is taken as well of the results of the <u>EURES Regulation *ex post* evaluation</u> (2021)<sup>5</sup> to strengthen the EURES axis findings, as well as of the <u>INOVA+ study</u> (2022)<sup>6</sup> on social experimentation projects to enhance the PROGRESS axis findings.

A wide range of stakeholders was consulted, including national authorities, programmes' beneficiairies, private organisations, social enterprises, financial intermediaries, civil society

<sup>&</sup>lt;sup>1</sup>The respective legal bases and the scope of the EaSI and EPMF programmes provide for evaluation requirements. Article 38(1) of the EaSI Regulation states that "The final evaluation provided for in Article 13(4) of this [EaSI] Regulation shall include the final evaluation provided for in Article 9 of the Decision 283/2010".

<sup>&</sup>lt;sup>2</sup>EaSI Regulation (EU) No 1296/2013 (https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:EN:PDF), amended by Regulation (EU, Euratom) 2018/1046 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046). <sup>3</sup>EPMF Decision No 283/2010/EU (https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:087:0001:0005:EN:PDF).

<sup>&</sup>lt;sup>4</sup>The EaSI budget was managed mostly directly by DG EMPL based on calls for proposals and tenders. Out of the three instruments grouped under the EaSI 3<sup>rd</sup> axis (Microfinance/Social Entrepreneurship axis), the *Guarantee Instrument* and *the Capacity Building Investments Window* were implemented indirectly (the Commission entrusted their management to the EIF) while the *Funded Instrument* was implemented directly by the Commission. Both financial instruments set up under EPMF (*Guarantee Instrument* and *Funded Instrument*) were implemented by the EIF as well through indirect management mode.

<sup>&</sup>lt;sup>5</sup>The EURES Regulation *ex post* evaluation was carried out according to the <u>EURES Regulation (2016/589)</u>. Its scope included four clusters of activities implemented: services to jobseekers and employers, the EURES Portal, targeted mobility schemes and cross-border partnerships. Link to SWD(2021) 217 final: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0217&rid=6). Link to Regulation (EU) 2016/589: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\_.2016.107.01.0001.01.ENG.

<sup>&</sup>lt;sup>6</sup>Link to INOVA+ study: https://op.europa.eu/en/publication-detail/-/publication/6a3aa5b7-0254-11ed-acce-01aa75ed71a1/language-en/format-PDF/source-search.

organisations and citizens. Overall, more than 400 stakeholders provided feedback during the entire consultation process<sup>7</sup>.

This report summarises the evaluation's key findings and identifies shortcomings/areas for improvement where the Commission could pay specific attention in the current programming period. It also provides an overview of the improvements already implemented under the European Social Fund Plus (ESF+) EaSI strand<sup>8</sup>.

#### 2. Key evaluation findings

EaSI and EPMF prompted a multiplier effect by funding a range of complementary activities (studies, social experimentation, capacity building and mutual learning platforms) and by piloting initiatives to stimulate employment, labour mobility, and access to finance for vulnerable groups and social enterprises. The key findings presented below are structured along the five evaluation criteria.

#### 2.1 Effectiveness

**Evidence-based policy-making and visibility of social innovation.** EaSI has proven effective in supporting evidence-based policymaking. It provided comparative analytical knowledge and mutual learning opportunities, based on a broad thematic approach and geographical coverage. Social experimentation emerged as one of the most visible and successful activities, with a large spectrum of social interventions targeting the most in-need. The mainstreaming/embedding of the social experimentation results in the policy making was nevertheless limited by the lack of appropriate dissemination channels and incentive mechanisms linking EaSI and ESF together and with the national stakeholders/policymakers. Overall, the evaluation reveals an insufficient dissemination of EaSI funding opportunities, results and best practices.

**Greater stakeholders' ownership and capacity to impact policy making.** EaSI was effective in boosting stakeholders' capacity<sup>9</sup> to partake in and to influence policymaking. Knowledge generated and exchanged allowed policymakers in the participating countries and at the EU-level to ground policy choices on robust evidence. It also increased awareness and ownership of EU policy in the social field among the public. The support for EU-level NGOs allowed them to secure long-term sustainability and to become a critical source of expertise, both for national policymakers and for the EU institutions. Nevertheless, the need for the EU-level NGO networks to reapply each year to recurrent calls for proposals translated in a state of uncertainty for these networks and generate administrative burden (both on applicants' side and the Commission services' side).

**Creating a stable communication link between the EU and grassroot organisations**. The operating grants awarded to the EU-level NGO networks secured their long-term sustainability and enabled them to become more professional by employing regular staff. By

<sup>&</sup>lt;sup>7</sup>Depending on the identified stakeholder group, dedicated methods and tools were used to conduct the consultations: a questionnaire-based online public consultation, semi-structured interviews, focus groups and targeted surveys with key stakeholders. These consultations complemented data and information collected through other methods, such as the desk research and case studies.

<sup>&</sup>lt;sup>8</sup>Link to the ESF+ Regulation (2021/1057): <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1057</u>.

<sup>&</sup>lt;sup>9</sup>EU-level NGO networks, national administration representatives, cross-sector social experimenters, microcredit providers, social entrepreneurs benefited from the programme's support via direct operating and action grants, as well as training activities and dissemination/information materials.

supporting capacity building and sharing of experiences, it also allowed increased national membership and brought member organisations closer together by creating a sense of community. As a result, EU policy has become more visible and relevant for these organisations.

**Enhanced labour mobility, making it easier to fill labour shortages.** EaSI was effective in facilitating matchmaking between vacancies and jobseekers' needs, by contributing to labour market transparency and by providing relevant information on working/living conditions in the EU. The evaluation showed the growing utility of the EURES Job Mobility Portal, as well as of the cross-border partnerships and targeted mobility schemes that generated together an increased number of job placements at EU-level. These services also improved the perception of cross-border employment and facilitated the geographical/occupational mobility of workers. The evaluation shows that these positive results were however undermined by an incomplete posting of national vacancies by end-2020 and by the insufficient visibility of the EURES placement services to the employers.

**Finance more accessible for vulnerable groups, micro-enterprises and social enterprises.** EaSI and EPMF were both highly effective in supporting financial intermediaries to reach persons with difficulties in accessing finance to create or develop a business and to provide finance to social enterprises. Agreements with financial intermediaries made it possible to provide a greater number of loans to final target groups and leveraged more liquidity than expected, both under EPMF and EaSI<sup>10</sup>. An additional effect was the constant increase in both geographical and target groups coverage<sup>11</sup>. The evaluation indicates that the support to some categories (mainly women and unemployed people) decreased over time, while support to seniors and people coming from third countries increased significatively.

**Enhanced microfinance and social entrepreneurship ecosystems.** With the view of reinforcing the capacity of financial intermediaries to implement the financial products provided under the Microfinance/Social Entrepreneurship axis, EaSI provided training and advisory services to microcredit providers. From a quantitative perspective, the support delivered exceeded its initial target, while qualitatively the increased capacity of the microcredit providers emerged as being a key EaSI achievement, thus enhancing the microfinance and social entrepreneurship ecosystems in the participating countries.

**Countries' inequal participation in EaSI.** While the EaSI calls for proposals were open to all eligible countries, applicants from countries with more experience/know-how in applying to EU funding (due to the proximity to the EU institutions and/or more intensive/pro-active dissemination of information about EU funding opportunities) submitted proportionally more high quality proposals than other countries (notably small countries, more recent Member States and candidate/potential candidate countries). Therefore, they had more chances to be selected under the direct management mode (based on the calls for proposals' quality criteria).

**Integration of 'horizontal' principles across the two programmes.** The evaluation revealed that for stakeholders - notably EU-level NGO networks, but also EaSI grants beneficiaries,

<sup>&</sup>lt;sup>10</sup>The number of microloans provided grew from '0' (the point of comparison before the launching of the EPMF) to around 32 000 in 2014 (value through EPMF) and to around 97 000 in 2020 (through EaSI).

<sup>&</sup>lt;sup>11</sup>EIF was able to reach many more countries under EaSI thanks to the increased budget and the extended geographical scope (including as well candidate countries, potential candidates and EEA-EFTA countries). The support provided under EaSI covered around 30 countries, while the EPMF support covered around 20 countries.

and the EaSI/EPMF financial intermediaries - the horizontal principles enshrined in both legal bases<sup>12</sup> have been the guiding principle in implementing the programmes.

#### **2.2 Efficiency**

**Cost-effective implementation of the activities.** The cost-effectiveness analysis indicated that sufficient resources were allocated among the activities and that the objectives were effectively achieved. Stakeholders perceived<sup>13</sup> the efforts related to the implementation of activities to be proportionate to the benefits, and considered the budget allocated as sufficient to achieve the intended results. However, this efficiency was slowed down by administrative burden in the projects' application, award and implementation stages, in particular for small structures and the EU-level NGO networks, commanding limited financial and human resources.

**Proper allocation of resources and overall absence of waste.** The economic efficiency analysis indicated that the conversion of inputs into results was done in the most cost-efficient manner possible. The demand for the Microfinance/Social Entrepreneurship was higher than expected, but this was successfully topped-up using the European Fund for Strategic Investment (EFSI) guarantee. The evaluation also indicates that the administrative costs were constant and well-planned across the entire period. The governance-related costs were substantially lower than expected, which implies a high level of efficiency<sup>14</sup>.

#### 2.3 EU added value

Achieving impacts and fostering cooperations that would not have otherwise occurred. The evaluation showed that EaSI offered participating countries a concrete platform for knowledge-sharing and mutual learning, consolidated the EU-level NGO networks and allowed them to multiply their memberships across the EU. It also improved the cooperation within the EURES system to facilitate labour mobility at the EU level. Both EaSI and EPMF increased the support for microfinance and social entrepreneurship at the EU level via an innovative cooperation with the EIF. They also stimulated cooperation and mutual learning among stakeholders from public, private and civil society sectors, which otherwise have few incentives to work together, as well as a better alignment with the target groups' needs.

Generating EU added value compared with the national level. The evaluation demonstrated that EaSI was the most suitable vehicle for EU-wide deliverables, such as comparative databases, studies and mutual learning activities - topics that are not always the top priorities at other government levels. Equally, without EaSI support, it would be unlikely that national schemes would be able to support social experimentation across participating countries and EU-level NGO networks. In addition, there were no other EU resources

<sup>&</sup>lt;sup>12</sup>The evaluation also analysed how – in pursuing its goals – the EaSI programme integrated the horizontal principles defined in Article 4 of the EaSI Regulation, i.e. paying attention to vulnerable groups; guaranteeing adequate and decent social protection; and promoting a high level of quality and sustainable employment. Similar horizontal principles were incorporated in EPMF general objectives (Article 2 of the EPMF Decision).

<sup>&</sup>lt;sup>13</sup>Although the evaluation lacked quantitative evidence on costs and benefits of some outputs (notably the analytical knowledge generated, but also the results of the capacity building, mutual learning and social experimentation activities), the analysis was completed with an understanding of how the activities met the needs of the targeted groups.

<sup>&</sup>lt;sup>14</sup>The general administrative costs include expenses related to monitoring, evaluation, coordination meetings, IT development, audit, communication. The governance costs include monetary costs (related to the organisation of EaSI Committee meetings, costs incurred with the programme's monitoring and evaluation) and non-monetary costs (total full-time employees involved in the coordination of the programme). However, no robust conclusion could be made on the governance costs, given the insufficient information on the *ex ante* methodological approach used for the estimations.

available which are specifically designed for cross-border partnerships, targeted mobility schemes and an EU-level vacancies Portal.

**Strengthening access to funding for micro- and social enterprises at the EU level**. The EaSI programme provided support to specific target groups which otherwise would have not been possible. The evaluation showed that at the national level, EaSI and EPMF filled a clear gap identified in the corresponding microfinance and social entrepreneurship markets. The programmes achieved this by lowering the risks for the financial intermediaries, thus facilitating access to, and availability of, finance for the unemployed, disadvantaged people, microenterprises and social enterprises.

#### 2.4 Coherence and complementarity

**Avoiding duplication of efforts and generating efficiency gains.** EaSI, by gathering together fragmented but complementary funds under one 'umbrella', enhanced the EU added value, while avoiding a duplication of efforts. The rationalisation of instruments, rules and procedures under the EaSI banner reduced the time spent for programming and implementation, as well as the monetary/non-monetary resources invested, thereby generating efficiency gains. The evaluation confirmed that EaSI support was more effective and efficient in meeting the stakeholders' needs than the fragmented support provided separately under its predecessor programmes<sup>15</sup>.

**Complementarities between EaSI and ESF.** The two programmes had similar objectives but varied in their approach to achieve them, i.e. using direct/indirect management mode for one and shared management for the other. Nevertheless, the evaluation revealed a lack of synergies between them, mostly related to the scaling up of the social innovations tested under EaSI. The evaluation points to an insufficient dissemination of EaSI results at national level, notably among the ESF Managing Authorities, and to the lack of incentives/mechanisms to facilitate transition from the direct management mode into the shared management mode. Some complementarities were also identified between the EaSI third axis and ESF - which were rare prior to the launching of  $EaSI^{16}$  - representing an improvement compared to the previous periods, where the potential complementarities between EPMF and ESF were underexploited.

**Complementarities between EaSI and other Union programmes.** Despite similarities in terms of objectives and target groups, the EaSI focus was sufficiently different (in terms of objectives, activities, target groups, geographical scope and policy priorities) compared with other EU-level funds (Erasmus+, Horizon 2020, EURAXESS, Interreg, COSME, InnovFin) thus avoiding overlaps. The evaluation revealed a consensus on the importance of maintaining different types of support at the EU level, whilst ensuring increased coordination between EU programmes targeting the same groups.

<sup>&</sup>lt;sup>15</sup>EaSI was built on and provided for the continuation of activities carried out by three previously existing instruments: the Programme for Employment and Social Solidarity (<u>PROGRESS</u>), the network of European Employment Services (<u>EURES</u>) and the European Progress Microfinance Facility (<u>EPMF</u>).

<sup>&</sup>lt;sup>16</sup>Based on the <u>EPMF interim evaluation supporting study</u> (2014), a <u>European Parliament in-depth analysis</u> (page 16) of the evaluation findings, estimated that only 20% of EPMF financial intermediaries reported cooperation with entities supported by the ESF.

#### **2.5 Relevance**

**Clear and continuous need for all types of actions assessed.** The evaluation demonstrated that there is a clear and continuous need for analytical activities to support policy evidence including social experimentation, capacity building to enhance stakeholders' participation/impact on policies, instruments to facilitate the geographical and occupational mobility, as well as to improve access to finance, in particular of vulnerable groups.

**Successful in adapting to new priorities and challenges.** The evaluation showed that EaSI was successful in adapting to new challenges and priorities (refugee crisis, Brexit, Covid-19 pandemic, twin green and digital transitions), due to the diversity/ complementarity between its activities as well to its relative simple programming/implementation under direct/indirect management modes.

**Contribution to the target groups' wellbeing and to the overarching policy goals.** Taking stock of the demonstrated economic, social and financial benefits for the target groups, the evaluation concluded that EPMF and EaSI enhanced people's well-being, environment and empowerment in line with the EU 2020 Strategy, the European Pillar of Social Rights and the UN Sustainable Development Goals. These benefits are likely to continue over the medium and long term, also considering the activities' continuing relevance and sustainability.

**Consensus on the importance of maintaining this type of support at the EU level.** The evaluation indicated that the current ESF+ architecture, with a combined system of shared, direct and indirect management could enhance the positive effects and scalability of the EaSI activities, whilst ensuring increased coordination with EU programmes targeting the same groups.

#### 3. Conclusions

Despite the relevance in contributing to address societal challenges, the limited scale and financial sources of the two programmes meant they did not influence socio-economic trends at large. The evaluation also identified specific potential areas for improvement where the Commission could pay specific attention when programming actions under the successor ESF+, as well as other partners involved in the current implementation, such as the European Labour Authority (ELA) and InvestEU<sup>17</sup>.

## 3.1 Lessons already capitalised

Below is explained how ESF+ - building notably on the EaSI mid-term evaluation conclusions - integrated in its architecture lessons learned confirmed by the EaSI *ex post* evaluation.

• Structured communication and dissemination. The EaSI strand funding opportunities and results are promoted since 2021 via the <u>Funding and Tenders Portal</u>. This Portal offers a real one-stop-shop, not only for finding opportunities but also for the daily projects'

<sup>&</sup>lt;sup>17</sup>In the period 2021 - 2027, EaSI became an integrated part of a consolidated single fund, the <u>European Social Fund Plus</u> (ESF+). Many of the former stand-alone programme EaSI provisions were preserved, providing continuity of its objectives, while accentuating their social dimension in the context of supporting the European Pillar of Social Rights. The financial instruments for microfinance and social enterprises implemented under the former EaSI were deployed under the <u>InvestEU Fund</u>, while the EURES network coordination office function was transferred to the <u>European Labour Authority</u> (ELA) established in 2019.

interactions with the EU<sup>18</sup>. It provides a unique entry point for a fully electronic management of centrally managed grants and procurement contracts. All centrally managed EU programmes are covered, providing easy access to funding and tender opportunities based on keywords and full-text search. Procurement section will be implemented further in view of a fully integration of the procurement service (paperless handling as for grants). Additionally, the National Contact Points for the EaSI strand promote the EaSI strand opportunities and results in the participating countries' languages. A structured stakeholders' consultation<sup>19</sup> is also organised before the adoption of each EaSI strand annual work programme.

- Better conditions for social innovation upscaling. The ESF+ Regulation incentives the Member States to take advantage of a new integrated approach to promote social innovation. Thus, the EaSI strand continues to test new policy approaches at a small-scale through social experimentation and to serve as a basis for social innovation upscaling, mainstreaming and/or replication activities under the ESF+ shared management strand or other funds. However, these legal provisions<sup>20</sup> were paired with new means to support the social innovation, notably the transnational cooperation<sup>21</sup> funding the Social Innovation Competence Centres and the National Contacts Points<sup>22</sup>. The digital and green transitions goals are also increasingly mainstreamed in the EaSI strand actions; for instance, a call for proposals aiming to test social innovation approaches to foster green and digital transition in schools, training centres, at work and in local communities was already launched in 2022.
- Synergies with other Union programmes. The ESF+ seeks in particular to ensure complementarities with the European Regional Development Fund (ERDF), the European Globalisation Adjustment Fund (EGF), Erasmus+, the European Solidarity Corps, the Asylum and Migration Fund (AMIF), as well as with Horizon Europe and the Digital Europe Programme. One example of synergy between the ESF+ and Erasmus+ consists in the joint financing of the <u>EUROPASS</u> system, which is a notable example of cooperation between the ESF+ and Erasmus+<sup>23</sup>.
- Simplified governance. The ESF+ operates both under shared and direct management modes and relies on a new simpler governance structure. The ESF+ Committee is supported by two specialised technical working groups, one for the shared management

<sup>&</sup>lt;sup>18</sup>The projects are promoted at the <u>Projects & Results</u> section, while the eGrants system – accessible via the same Portal – became the single gateway for all exchanges (submission, evaluation, implementation and reporting) between applicants and the Commission. Additional information and statistics on proposals, success rates, funded projects and participants is available on the Portal as well. Furthermore, the Portal also hosts a 'News & events' section with news about the EaSI strand. Here the Commission informs about EaSI events, including those organised in Member States and participating countries and publishes articles informing about the strand.

<sup>&</sup>lt;sup>19</sup>This yearly strategic dialogue exercise has two parts: on one hand the EU level civil society organisations are consulted through an online dialogue meeting; and on the other hand, the EU level social partners are consulted in an email exchange.

<sup>&</sup>lt;sup>20</sup>While the <u>ESF Regulation</u> included a provision (Article 9) for the promotion of social innovation, the <u>ESF+ Regulation</u> requires Member States to dedicate at least one priority to support social innovation and social experimentation and/or scaling up of innovations tested on a small scale under the EaSI strand and other Union programmes. The maximum co-financing rate for such priorities may be increased to 95% for a maximum of 5% of the national resources under the ESF+ strand under shared management.

<sup>&</sup>lt;sup>21</sup>As per the Article 15 of the <u>ESF+</u> Regulation, Member States may support transnational cooperation actions under any of the specific objectives of the programme. A financial envelope of EUR 175 million (in 2018 prices) was allocated for transnational cooperation, with a view to accelerating the transfer, and facilitating the scaling up, of 'innovative solutions'. Therefore, six consortia were selected to set up <u>Social Innovation Competence Centres</u> and drive social innovation locally, regionally, nationally, and transnationally. Covering 25 countries and mobilising 148 organisations, they are currently helping managing authorities to programme and implement social innovation actions, as well as to support organisations on the ground with capacity building, knowledge transfer and networking measures.

<sup>&</sup>lt;sup>22</sup>A complementary support initiative consists in the <u>National Contact Points (NCPs</u>) financed under the direct management strand. While the focus of the Competence Centres is on the social innovation, the NCPs inform about all EaSI strand activities, including financing opportunities, application requirements and projects' results.
<sup>23</sup>The ESF+ and Erasmus+ are active in similar fields, notably helping people gain new skills, upskilling to answer the needs of the industrial

<sup>&</sup>lt;sup>23</sup>The ESF+ and Erasmus+ are active in similar fields, notably helping people gain new skills, upskilling to answer the needs of the industrial sectors, improving digital competences, as well as the quality of education and training.

and one for the EaSI strand. This governance design allows for stronger synergies in both programming and implementation phases, while better connecting diverse types of activities and beneficiaries. As per the resources allocation, the EaSI strand focuses increasingly now on balancing competing needs and priorities, while the previous boundaries (indicative shares allocation) between axes have been completely removed.

- Enhanced budgetary flexibility. The *ex post* evaluation confirmed the EaSI mid-term evaluation finding that the flexibility clause foreseen to adjust funding among the three axes (Article 33 of the EaSI Regulation<sup>24</sup>) was in practice an inefficient provision given the important potential administrative burden generated to operate these changes. Based on the EaSI mid-term evaluation findings, the <u>Omnibus Regulation</u> (2018) introduced amendments to the EaSI Regulation to make the budget more flexible. A consequence was that Article 33 became obsolete and was therefore deleted from the EaSI legal basis. In the period 2021 2027, the three compartments of the former EaSI Programme (PROGRESS, EURES and Microfinance/Social Entrepreneurship) were abolished together with simplification and flexibility of financing.
- Simplified and reinforced performance measurement system. The evaluation shows that simplification and rationalisation of the programme's monitoring/evaluation system are necessary to reduce administrative burden on the EC services and stakeholders<sup>25</sup>. The ESF+ Regulation (based on the EaSI programme mid-term evaluation findings that were confirmed by the *ex post* evaluation) identifies 5 Key Performance Indicators (KPIs) easily understandable, practical, and feasible to report on the progress of the EaSI strand towards its objectives. Data collected using complementary methods, such as interviews, focus groups, and surveys are foreseen in the new monitoring/evaluation system to provide a good understanding of stakeholder's perceptions and interactions. To effectively review the linkages between policy and programme implementation, data triangulation methods are used to pull together the range of data available, including quantitative and qualitative information.

## **3.2 Lessons to inform future policy**

Several areas for improvements could be addressed under the EaSI strand but also - when appropriate - under ELA (the business owner of the EURES Portal since 2019) and the InvestEU (bringing together the multitude of earlier EU financial instruments, including those implemented under EaSI).

• **Improving the EaSI strand visibility** by increasing the frequency and adapting the timing of publishing the information on opportunities for financing; by disseminating more results, country-specific examples and good practices; by creating projects' online databases; by ensuring that the information reach a wide audience in terms of geographical coverage and types stakeholders; by making websites' content more user-friendly and accessible for the general public, including by providing multi-language information.

<sup>&</sup>lt;sup>24</sup>The EaSI Regulation webpage on Europa includes the amended version of the Regulation, where Article 33 has been deleted. <sup>25</sup>Based on the experience with the EaSI performance measurement system – with a total of 42 headline and complementary indicators – a simplified system with a limited number of quantitative indicators was established to measure the EaSI strand performance in 2021 - 2027.

- **Ensuring more visibility of the social experimentations' results** (notably among the ESF+ shared management Managing Authorities) and of the EURES Portal (notably among employers).
- Exploring new ways/incentives to increase the share of social experimentations upscaled, the share national vacancies published on the EURES Portal, and access of women and unemployed people to the financial instruments' market.
- **Improving the connection between the EURES Portal and the Europass Portal** by proposing one account to access all applications through an unique EU log-in for both EURES and Europass; by facilitating the navigation between EURES and Europass; and by removing the overlapping functionalities<sup>26</sup>.
- Exploring ways to reduce the action grants and operating grants' administrative burden both on the applicants' side and the Commission's services side.
- Enhancing synergies with EU-level funds targeting similar groups, notably those implemented by DG EAC, DG GROW and DG RTD and additional synergies with other funds, for instance those targeting rural population (EAFRD).
- **Improving the mainstreaming of horizontal principles** across the EaSI strand activities notably those related to disability and accessibility matters.
- **Improving the mainstreaming of the digital and green transitions'** goals across the EaSI strand activities. Contributing to improve the use of digital financial services, in particular by vulnerable people who are the least likely to benefit from the digitalisation of financial services (including in rural areas).
- **Providing additional funding** to allow proven social experimentations to be upscaled and/or transfered to other actors or contexts thus creating a wider impact, to facilitate the social enterprises' growth, to support the microfinance sector development<sup>27</sup>, and to address new social, environmental and digital challenges.
- **Ensuring an appropriate evaluation timeframe and scope**, notably for activities such as those related to the capacity building, social experimentation and the labour market transparency that require time to take effect.

Looking forward, an integrated EaSI strand within the ESF+ appears as a key vehicle to foster employment and social innovation in Europe, to create synergies with the ESF+ shared management strand, to support the EU and Member States' employment, social and skills policies (notably implementing the European Pillar of Social Rights), to enhance the capacity of stakeholders, and to promote wider uptake of funded initiatives.

<sup>&</sup>lt;sup>26</sup>DG EMPL and ELA are currently discussing the details of these technical improvements.

<sup>&</sup>lt;sup>27</sup>The evaluation shows that the initial budget for the EaSI third axis was insufficient (a top-up was necessary to bridge this funding gap).